G. R. S. 59] GPB—15,000—20-12-13

GENERAL AND REVENUE SECRETARIAT.

1913.

? 15B (9.7)

File No. 12-13

Serial Nos. 11, 12, 12a & 16

Papers Filed.

Month April 1914

SUBJECT.

Mysore Spinning & Manufacturing Company Ltd.

PREVIOUS REFERENCES.	LATER REFERENCES.
9.7. 135-09 & 11-20 B. June 11. 9.7 23-11 & 11, 25-7, 12 etc B.S.13. 9.7 31-12 & 16, 7, 9-11 B.8.13	

B.Z. goes 25-5-14

G.R.S. 11] 1913-14

GENERAL AND REVENUE SECRETARIAT.

( )

NOTES.

File No. 12

FILE HEADING.

Mysore Spinning & Manufacturing Company Ltd.

From

The Controller

No. 4098/484 Dated 5 January 1914 Received 9. 1. 14

Diary No. 75/8	Enclos.	Spare Copies.	Serial No. 11.

BRIEF ABSTRACT OF LETTER.

Forwards for orders of Govt Copy of letter dy 26. 9. 1913 from the agents of the Mysore Spinning and Manufacturing Co. Ltd requesting that for reasons assigned by them the Claim of Govt for a sum of Rs 6571-0-5 may be withdrawn.

NOTES AND ORDERS.

2 Para 3 on page 276

When the question of placing the financial relation of Govt with the Mills on a Sounder basis was under the deliberation of Govt, the total liability of the Mills to Govt was estimated to be Rs 3,88 000 6 - odd - Hence this amount was specified in the Stipulation

NOTES—First Sheet.

GPB—35,000—15-6-12

G. R. S. 12]

General and Revenue Secretariat. | G7 File No. 12 of 1913.

Serial No:

F — which were formulated in G.O. H 5379 dy. 28/4/1911 G7 135-09 vide clause 3 (4) under para 5. i.e. on 28. 2. 1911.

2 It was however brought to the notice of Govt by the Mill agents (vide Simla letter) that the correct balance due to Govt was Rs 396555-11-6 and not Rs 388006-2-6. The former figure was taken as the correct one. c.f. Dewan's note of submission to H.H. the Maharaja. This has also been inserted in the deed of Mortgage and on the basis of that calculation Rs 96555-11-6 was paid in cash on 9 Dec. by the mills' agents on 9-12-1912 though it was payable on the 29. 2. 1911.

Dy 2. 12. 1912 N in G.7 23-11 H 33 46 dy 10-12 M

Whether the sum due is Rs 9715-5-11-6 as now stated by the Mills agents or it is Rs 96555-11-6 has to be definitely stated by the Comptroller by reference and verification with the books of accounts in his office.

3 The manner in which it was made out by the Comptroller that a sum of Rs 6571-0-5 was due is indicated in the paper flagged L in G.7 23-12 Sl. 1213. 7. Oct 1913.

L

4 It is therefore for the Comptroller to scrutinize the statement of the Mills agent in juxta position with his books of account and testify to the correctness of the exact amount due to Govt with his opinion in the light of the order communicated in H 731 dy 6/2/1913.

K

Letter dy 30/6/1911 O

NOTE—Contn. sheet.

GPB—60,000—7-11-13

G. R. S. 12]

General and Revenue Secretariat.

97 File No. 12 of 1913.

Serial No.

5

If approved this may be forwarded to the Comptroller for an expression of his opinion with correct figures and the exact amount due to Govt. from the Mills as the result of the new Agreement entered into with them.

Subd
U.21 Hon. 6
29/1/14.
All the documents from the Comptroller forwarded file to Govt. Advocate for opinion.
31.1.14

Subd
Draft Subd 7 Letter a long delay in Comptroller
U.21 Govt.
2/2/14 Offr.
Issued 5.2.14

Subd
Pd on 31-1-1914: 1-2-1914 was Sunday. Draft Subd on 2-2-1914.
K-M-

Govt 12 To the Comptroller to Govt:
No: Fd: 3600 D 12-2-14.
Requests to forward for reference and return the Mortgage & Release bonds executed by the Nyasa Spinning & Manufacturing Co. Ld:

12 From the Comptroller to Govt.
No 5285 of 20.2.1914.
Forwards for reference the Mortgage bond executed by Loans 687 + 1 form.

The mortgage deed is put up in the position in which it was received here in No Office

NOTE—Contra sheet.

GPB—60,000—7-11-13

G. R. S. 12]

General and Revenue Secretariat. | G7 File No. 12 of 1913-14

Serial No.

The Mysore Spinning and Manufacturing Co^y L^d

The Deed: Release bond is in the collection stage WW

Sub^d Kind attention is invited to line 9 + 20 on page 6 of the mortgage deed put up herewith.

U.31 7/3/14.

Forwarded to the Govt Advocate for favour of opinion.

By order.

for Secretary

Dis. No. 91 9 9^th March/14 with 5 collection 1 mortgage deed & 1 letter

U.O. 364/3/14

It was the express intention of Govt: that all the debts due on 1.3.1911 should be Consolidated into a single loan, that all but 3 lacs should at once be paid & that the 3 lacs shd Carry interest at 4% per annum - (vide Go. No 7L 5.379 G.7.135-09 dated 28.4.1911 as modified later). So that the distinction that existed till then viz that B 3,06,392.12.11 should be treated as the principal amount & B 90,765.6.14.6

97,656-14-6?

NOTE—Contn. sheet.

GPB—60,000—7-11-13

an interest was removed. The Consolidation of the whole debt into one & the immediate payment of nearly a lac of rupees were presumably taken into account in reducing the rate of interest to 4% - As a matter of fact the Co have paid interest only at 4% on the 3 lacs odd - Although the deeds were executed long after 1.3.1911 they must be deemed to give effect to the arrangement from that date & must be construed as such. Under these circumstances it seems to me that the Company's contention is not quite reasonable & ought not to be permitted to prevail

Edwardsmith.

10-3-14

10

Submitted. If approved the Comptroller (Loans Deptt) may be asked to note the above and to intimate to the Mills agents that their contention for withdrawal of the claim for Rs 6571-0-5 is untenable and

General and Revenue Secretariat.

File No. 12 of 1913-14

Serial No.

Cannot be Conceded

12/3 Please prepare a reasoned draft agreeing with the Govt Advocate. 13/3/14

Draft submitted for approval.

14/3 Draft approved 26/3/14

Fair draft Subd

31/3/14 Draft marked

1-4-14 Agreed 1/4/14

14 Issued

16. To the Comptroller to Govt. No: 46442 D 4-4-14 states that the contention of the Spinning & Manufacturing Co. that Govt. should forego their claim to Rs 6571-0-5 is not reasonable and cannot be allowed and that the Agents may be informed accordingly.

3/4/14

NOTE—Contn. sheet.

GPB—60,000—7-11 -13

GPB—2500—27 11-13

C. O. 44—Rec. 19]

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.
Window delivery No. 6, Bangalore.

DIARY No. 2578
1913-1914
SECTION: G.T.
Receipt No. 1-2-13
Sent No. 11.

No. 4098 / Loans 484 — OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 5 January 1914.

FROM

J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., ETC.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

To

The Secretary to ....., ~~Esq.~~,
Government,
Financial Department.

SIR,

In continuation of this Office letter No.1689-90- Loans 213 dated 29th August 1913, forwarding a copy of this Office letter to the Agents of the Mysore Spinning and Manufacturing Company Ltd., requesting them to arrange for the early payment of Rs.6571-0-5, I have the honour to forward herewith for orders of Government, a copy of letter of the 26th September 1913 from the Agents, requesting that the claim may be withdrawn under the circumstances represented therein.

Evidently the Company is taking advantage of a mere recital in page 7 of the bond ignoring the specific terms of the prior agreement in consideration of which the mortgage bond has been executed and which terms alone ~~above~~ should regulate the payment of Rs.97155-11-6. ~~But~~ According to the Government Order of 28th March 1911, the whole interest together with Rs.6,308-12-11 towards principal ought to have been paid in March 1911.

I have the honour to be,
Sir,
Your most obedient Servant,

For Comptroller.

S.R.S.

Copy of letter dated 26th September 1913 from the Agents The Mysore Spinning and Manufacturing Company. Ltd., Bombay, to the Comptroller to the Government of Mysore, Bangalore.

Encl with 4 of 12-13

---------O---------

With reference to your letter No.1688 dated 2nd September 1913 requesting payment of Rs.6,571-0-5 on account of interest as per statement attached thereto, we have the honour to submit as follows.--

2. The amounts standing to the credit of the Government on 28th February 1911 in our books on various accounts as per printed Balance Sheet for that year were.--

Old Account	Rs.1,56,511- 1- 6	Total Principal.
Current Account	" 1,49,887-11- 5	Rs.3,06,398-12-11.
Interest Account.	" 90,756-14- 7	
TOTAL	Rs.3,97,155-11- 0	

3. The new agreement provides that the above aggregate indebtedness of the Company to the Government as on the 28th February 1911 should be reduced to Rs.3,00,000/- by the payment by the Company to the Government of the difference which amounted to Rs.97,155-11-6 and not Rs.96,555-11-6 as stated in the agreement, on or before the execution of the documents. Accordingly the Company made payments immediately on execution of the documents as follows.--

On 9th December 1912	Rs.96,555-11-6
On 11th December 1912	" 2,555-15-2
On 21st do do.	" 600- 0-0
Total.	Rs. 99,711-10-8

4. The difference of Rs.2,555-15-2 between Rs.99,711-10-8 paid as above and Rs.97,155-11-6 was payment made by the Company in final adjustment of the interest accrued for the year ending 29th February 1912 on the principal of Rs.3,06,398-12-11 then outstanding. The total interest on the said sum of Rs.306398-12-11 at four per cent for the year ending 29th February 1912 amounted to Rs.12,255-15-2 against which Rs.9,700/- had already been paid.

5. The Government's claim for Rs.6,571-0-5 is for interest less Rs.221-4-0 stamp charges etc., on the release executed by the the Government, due to the Company, on the old interest amount of Rs.90,756-14-7 at 4% from 1st March 1911 to 15th December 1912 which really amounts charging Compound interest. In view of the facts stated above this claim cannot be maintained in the light of the terms of the new agreement nor can it be supported by the terms of the old agreement whereby no compound interest was to be charged to the Company.

6. We recognise that the interval between the time fixed for the operation of the new agreement Viz. 1st March 1911 and the actual execution of the documents in December 1912 was rather long. But the Company cannot be considered responsible for the delay. Moreover about one third of the amount on which Compound interest is now claimed represents interest at 6% accrued to Government in the period the Mill was not working and as such could well have been remitted. Under these circumstances we trust that Government will be pleased to withdraw their claim for Rs.6,571-0-5 and pass the sum of Rs.221-4-0 being stamp and registration charges due to the Company to the credit of the Company towards payment of the current year's interest.

Copy

---0---

Secy/Mechan
I Instt Rents

G. R. S. 26]

4/2

Diary No. of letter replied to 2578

General and Revenue Secretariat

( )

, the 191 .

Date of issue 12—2—14

Signed by W L Mussenden

G7 File No. 12-U

Serial No. 12.

No. 36600

12 February 1914

To

The Comptroller.

Sir

With reference to your letter no 4098 of 5/8... 1. 1914 re the balance due from the Mysore Spinning and Manufacturing Co^y Ltd., I am directed to request you to be so good as to forward for reference and return the Mortgage & Release bonds executed by the Mysore Spinning & Manufacturing Co^y Ltd.

Loans 484

I have etc

H. Rodd

for Secretary.

U. D. 12/2

BBR

SUBJECT.

SW

8/2

It is requested that in future communications on the subject, the No. and date of this letter, and the distinguishing letters below the number as given opposite, may be quoted and addressed to the Comptroller, Mysore Government.

No. 5285 G

Loans 687

OFFICE OF THE COMPTROLLER, MYSORE GOVERNMENT,

Dated Bangalore, the 20th July *1914*

FROM

J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., etc.,
Comptroller to the Government of
His Highness the Maharaja of Mysore.

DIARY No. 3318

	1913-1914
SECTION	G.T.
	12-13
	12(a)

To

.....Eso.

The *Secretary to the Government of Mysore,*

F i n a n c i a l .....*Department.*

SIR,

As desired in your letter No. Fl.3600/G.F.12-13-12 dated 12th instant, I have the honor to forward herewith for reference and return the mortgage bond executed by the Mysore Spinning and Manufacturing Co Limited received with your No. Fl.5286/G.F.23-12-26 dated 19th March 1913.

The release bond has not been received in this office.

I have the honor to be,

Sir,

Your most obedient servant,

For Comptroller.

S.A.M.

Rec'—Gl. 17]

.....Department.

1914.

FROM

J. S. CHAKRAVARTI, ESQ., M.A.,
F.R.A.S., etc.,
Comptroller to the Govt. of
H. H. the Maharaja of Mysore.

To

.....ESQ.,

Secretary to the Govt. of Mysore,
Fe
.....*Dept.*

Dated

Despatched 24-2-14

Received

No. 5285 E1
58

Subject matter.

John Varghese & Co. Bank account
by Mysore Agency & Mfg Co
Company

G.R.S. 26]

3/4

File No. 12-13

Serial No. 46

Diary No. of letter replied to 3316

Fair draft

No. 264642

9 April /14

General and Revenue Secretariat

( )

, *the* 19 .

To

The Comptroller

Date of issue 9 April /14

Sir

Signed by W L Marsden for Secy

Adverting to your letter

Paper under disposal

No. 4098/Loans 4,84 dy 5/8. 1. 1914 forwarding

for orders of Govt Copy of Letter dy 26th

September 1913 from the Agents of the

Mysore Spinning and Manufacturing

Company Ltd requesting that the claim

of Govt for Rs 6571-0-5 may be withdrawn

I am directed to state that it was

the express intention of Govt that all

the debts due on 1st March 1911 should

over.

be consolidated into a single loan; that all but three lakhs should at once be paid and that the three lakhs should carry interest at 4% per annum (vide G.O. No. R 5379/G.7 135-09 dy 28.4.1911 and modified later on by the Agents' letter dy 30.6.1911) Thus the distinction existing till then of treating Rs 3,06,392-12-11 as the principal amount and Rs 90756-14-7 as interest was removed. The consolidation of the whole debt into one and the immediate payment of nearly one lakh of rupees were taken into account in reducing the rate of interest to 4%. As a matter of fact the company have paid interest only at 4% on the 3 lakhs odd.

2. Although the documents were executed long after the 1st March 1911 they must be deemed to give effect to the arrangement from that date and must be construed as such. Under these circumstances the contention of the Spinning & Manufacturing Company that Govt should forego their claim to Rs 6571-0-6 is not reasonable and cannot be agreed to. The Mill Agents may be informed accordingly.

7
0

List of enclosures,

One registered cover to be returned duly sealed. carefully
ll.

Copied by

Examined by

GPB—10,000—28-2-11.

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

3 The Mortgage bond received with Your letter No. 5283 dy 2-2-1914 is Loan 687 hereunto returned.

I have etc

~~Tor~~ Secretary.

H.J. O'Br. 31/3/1914 SW 1.4.14